

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 COME-00 OPIC-03 AID-05 CIAE-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00

XMB-02 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 L-03

PM-04 NSC-05 SS-15 /081 W

-----121451Z 059833 /40

R 121300Z MAY 77

FM AMEMBASSY MBABANE

TO SECSTATE WASHDC 1800

INFO AMCONSUL DURBAN

AMEMBASSY GABORONE

AMCONSUL JOHANNESBURG

AMEMBASSY MAPUTO

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DEPARTMENT PASS USDOC AND OPIC

E.O. 11652: N/A

TAGS: EMIN, ELTN, WZ

SUBJECT: PROPOSED CHROME ORE PROCESSING PLANT IN SWAZILAND

REF: (A) MBABANE 0840, (B) MBABANE 357, (C) 76 MBABANE 1142

1. EMBOFF HAS LEARNED OF RSA PLANS FOR DEVELOPMENT OF CHROME ORE DEPOSITS NEAR LYDENBURG. SOURCE STATES THAT HE THOUGHT DEPOSITS WERE OWNED BY HALLIBURTON, INC.

2. GOS IS PARTICULARLY INTERSTED IN ESTABLISHING A CHROME ORE PROCESSING PLANT IN SWAZILAND AT, OR NEAR, SITE OF NGWENYA IRON ORE MINE.

3. GOS IS FACING SERIOUS POLITICAL/ECONOMIC PROBLEMS OVER THE FUTURE OF ITS SOLE RAIL LINE. AS STATED IN REFTTEL (A) WHEN THE IRON ORE MINE CEASES OPERATION (APPROXIMATELY LIMITED OFFICIAL USE

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16 MONTHS FROM NOW) THE SECTION OF LINE FROM THE MINE AT KA DAKE TO THE MAIN DEPOT AT MANZINI BECOMES ECONOMICALLY UNVIALE. THE REST OF THE LINE WILL BE marginally viable.

4. THE IDEOLOGICAL DIFFERENCES BETWEEN SWAZILAND AND MOZAMBIQUE AND THE CONTINUED DETERIORATION OF THE MAPUTO PORT FACILITIES, MAKE FUTURE OF THE RAIL LINE A

SENSITIVE SUBJECT FOR THE GOS (OVER 80 PERCENT OF
SWAZILAND EXPORTS GO THROUGH MAPUTO).

5. GOS IS ACTIVELY ATTEMPTING TO BEGIN CONSTRUCTION
OF RAIL LINK TO RSA (THIS WILL BE COVERED IN SEPTTEL),
WITH OBJECTIVE OF SENDING EXPORTS OUT THROUGH RICHARDS
BAY.

6. GOS PLANS CALL FOR CHROME ORE TO BE SHIPPED BY
RAIL TO DEPORT NEAR SWAZILAND BORDER AND THEN TRUCKED
TO KA DAKE FOR PROCESSING. THE PROCESSED ORE WOULD
THEN BE SHIPPED OVER NEW RAIL LINK TO RICHARDS BAY.

7. STRONG GOS ARGUING POINT IS THAT MOST OF THE NEEDED
INFRASTRUCTURE, AND HOUSING, IS ALREADY IN PLACE AT
KA DAKE. SINCE SWAZILAND BELONGS TO SOUTH AFRICAN CUSTOMS
UNION, THE ORE MOVES DUTY FREE.

8. CHROME ORE, AND BARITIES MINE (LOCATED IN SAME AREA
AND DUE TO BE REOPENED THIS YEAR - REF (B) WOULD GENERATE
SUFFICIENT REVENUE TO KEEP THE KA DAKE-MANZINI RAIL LINE
OPEN.

9. GOS SEES PROCESSING PLANT AS STRONG IMPETUS FOR
DEVELOPMENT: (A) IT WOULD SPUR DEVELOPMENT OF SWAZILAND'S
CONSIDERABLE COAL RESERVES TO PROVIDE POWER FOR (B) A
LONG PLANNED THERMAL POWER PLANT (REFTEL C) THAT WOULD
GENERATE THE ELECTRICITY NEEDED. GOS ESTIMATES THAT THE
CHROME PROCESSING PLANT WOULD NEARLY DOUBLE SWAZILAND'S
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CURRENT ELECTRICAL CONSUMPTION.

10. COMMENT: THE MINISTER OF INDUSTRY, MINES AND TOURISM
(WHO WOULD BE RESPONSIBLE FOR THIS PROJECT) HAS QUIETLY
BEEN URGING EVERYONE CONCERNED WITH INDUSTRIAL PROMOTION
TO WORK TOWARDS SEPARATING, AS FAR AS POSSIBLE, THE
SWAZILAND ECONOMY FROM RSA. AT THE VERY LEAST, HE WANTS
ANY NEW INVESTMENT TO BE CLEAN OF RSA CONNECTIONS.
HOWEVER, THE ECONOMIC REALITIES OF SOUTHERN AFRICA TIE
SWAZILANDS PROSPERITY AND DEVELOPMENT TO SOUTH
AFRICA, WHETHER THE SWAZIS LIKE IT OR NOT. FURTHER,
THIS CLEARLY ILLUSTRATES THE LACK OF ANY COHERENT
POLICY ON THE PART OF THE GOS - EACH MINISTRY CONTINUES
TO PURSUE ITS OWN OBJECTIVES.
WACHOB

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 12-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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